

BOARD OF WATER SUPPLY

JULIE SIMONTON, CHAIR
GREGORY KAMM, VICE CHAIR

KURT AKAMINE, SECRETARY
LAWRENCE DILL, MEMBER
KA'AINA HULL, MEMBER
TROY TANIGAWA, MEMBER



REGULAR MONTHLY TELECONFERENCE MEETING NOTICE AND AGENDA

Thursday, February 24, 2022
10:00 a.m. or shortly thereafter

On December 29, 2021, Governor David Y. Ige issued an [Emergency Proclamation Related To Sunshine Law In-Person Meetings](#) (Proclamation) suspending section 92-3.7, HRS, (effective January 1, 2022) only to the extent necessary **to suspend Act 220's requirement to have at least one meeting location that is open to the public. All other provisions of Act 220 remain in force. The Proclamation is in effect through February 28, 2022**, unless terminated or superseded by a separate proclamation, whichever shall occur first.

Meetings of the Board of Water Supply, County of Kauai will be conducted remotely in accordance with Act 220, Session Laws of Hawai'i 2021 via interactive conference technology as follows:

Click on the link below to join on your computer or mobile app by VIDEO:

<https://zoom.us/j/91800882661>

OR

Dial phone number and enter conference ID to call in and join by AUDIO:

Phone: 888 788 0099 US Toll-free

Phone Conference ID: 918 0088 2661#

Please Note: If you do not provide a name when joining the meeting, you will be renamed to allow staff to address and manage individual guests.

In the event of a lost connection the Board will recess for up to 30 minutes to restore the connection. If the connection cannot be restored within 30 minutes, the Board will continue the meeting to 12:00 p.m. or shortly thereafter. If the visual link cannot be restored, the Board may reconvene with an audio-only link using the above dial-in phone number and conference ID. A lost connection only applies to remote connections provided as part of the remote meeting but does not apply to a public member being unable to access the meeting due to a connectivity issue on their end.

CALL TO ORDER

ROLL CALL

ANNOUNCEMENTS:

Next Scheduled Meeting: Thursday, March 24, 2022 – 10:00 a.m. via Tele-Conference.

APPROVAL OF AGENDA

APPROVAL OF MEETING MINUTES:

1. Regular Board Meeting – January 20, 2022
2. Executive Session Meeting – January 20, 2022

PUBLIC TESTIMONY

NEW BUSINESS

1. Manager's Report 22-56 – Discussion and Adoption of Resolution No. 22-12, Employee of the Year, Darwin Bukoski, Electronics/Plant Electrical Tradesperson I, Operations Division
2. Manager's Report 22-57 – Discussion and Adoption of Resolution No. 22-13, Employee of the Year, Terrilyn Amorin, Account Clerk, Fiscal Division
3. Manager's Report 22-58 – Discussion and Possible Action on the transfer and redistribution of budgeted Water Utility funds to the Department projects in Kalaheo (Kalaheo 1111' & 1222' Water System Improvements), Kilauea (Kilauea Well Nos 1 & 2 MCC and Chlorination System) and Kekaha (Paua Valley Tank Repair) in the amount of \$2.4 million
4. Amended Board Meeting Dates and Time for 2022

STAFF REPORTS

1. Statement of Revenues and Expenditures
 - a. January Monthly Summary Budget
 - b. Accounts Receivable Aging Summary
2. Public Relations Activities
3. Operational Activities
4. Manager and Chief Engineer

TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING: (March)

1. Update on recommended meter communication system

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS:

1. Manager's Report No. 17-29 - Discussion and Possible Action on the Financial Management Planning and Water Rate Study for the Department of Water for Fiscal Year 2022 through Fiscal Year 2026
2. Department of Water Performance Audit
3. Base Yard Master Plan Workshop
4. Proposed Budget for FY 2022-2023

EXECUTIVE SESSION:

Pursuant to Hawai'i Revised Statutes (HRS) §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the Executive

Session was not anticipated in advance. Any such executive session shall be held pursuant to HRS §92-4 and shall be limited to those items described in HRS §92-5(a).

ADJOURNMENT

WRITTEN TESTIMONY

The Board is required to afford all interested persons an opportunity to present testimony on any agenda item. The Board encourages written testimony at least two (2) business days prior to a scheduled Board meeting. At each Board meeting, the Board will accept oral and written testimony on any agenda item during the Public Testimony portion.

Please include:

1. Your name and if applicable, your position/title and organization you are representing
2. The agenda item that you are providing comments on; and
3. Whether you are a registered lobbyist and, if so, on whose behalf you are appearing.

Send written testimony to:

Board of Water Supply, County of Kaua'i
C/O Administration
4398 Pua Loke Street
Lihu'e, Hawai'i 96766

E-Mail: board@kauaiwater.org
Phone: (808) 245-5406
Fax: (808) 245-5813

SPEAKER REGISTRATION

Prior to the Day of the Meeting: Persons wishing to testify are requested to register their name, phone number, and identify the agenda item for which they wish to provide testimony via email at board@kauaiwater.org or by calling (808) 245-5406.

On the Day of the Meeting: Persons who have not registered to testify by the time the Board meeting begins will be given an opportunity to speak on an item following oral testimonies of registered speakers. The length of time allocated to person(s) wishing to present verbal testimony may be limited at the discretion of the chairperson.

SPECIAL ASSISTANCE

If you need an auxiliary aid/service or other accommodation due to a disability, or an interpreter for non-English speaking persons, please call (808) 245-5406 or email board@kauaiwater.org as soon as possible. Requests made as early as possible will allow adequate time to fulfil your request. Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy.

DRAFT

MINUTES

MINUTES
BOARD OF WATER SUPPLY
Thursday, January 20, 2022

The Board of Water Supply, County of Kaua'i, met in a regular meeting **via remote** in Lihu'e on Thursday, January 20, 2022. Chair Julie Simonton called the meeting to order at 10:20 a.m. The following Board members were present:

BOARD:

Ms. Julie Simonton, *Chair*
Mr. Greg Kamm, *Vice Chair*
Mr. Lawrence Dill
Mr. Troy Tanigawa

EXCUSED:

Mr. Kurt Akamine
Mr. Ka'aina Hull

Quorum was achieved with 4 members present at Roll Call.

STAFF:

Manager & Chief Engineer Joseph Tait
Commission Support Clerk Cherisse Zaima
Deputy County Attorney Mahealani Krafft
Computer Systems Support Technician Darrell Acob
Deputy Manager Judith Hayducsko

Civil Engineer Michael Hinazumi
Info. and Education Specialist Jonell Kaohelaulii
Chief of Operations Val Reyna
I.T. Specialist Wayne Takabayashi
Waterworks Controller Marites Yano

ANNOUNCEMENTS:

Next Scheduled Meeting: Thursday, February 24, 2022 – 10:00 a.m. via Tele-Conference.

APPROVAL OF AGENDA

Board member Dill moved to approve the agenda, seconded by Mr. Kamm; with no objections, motion carried with 4 Ayes.

APPROVAL OF MEETING MINUTES:

1. Regular Board Meeting – December 23, 2021
2. Executive Session Meeting – December 23, 2021

Board member Dill moved to approve the minutes of the December 23, 2021 Regular Board Meeting as amended, and the December 23, 2021 Executive Session meeting, seconded by Mr. Tanigawa; with no objections, motion carried with 4 Ayes.

PUBLIC TESTIMONY

The department received no public testimony prior to the meeting, and there were no registered speakers.

There were four (4) members of the public who joined the meeting.

CORRESPONDENCE

Letter from Tristan Gonzales, Kaua'i Assistant Regional Manager, Goodfellow Bros. re: Meeting request in reference to Job No. 15-07, Water Plan 2020 Project No. HE-01, HE-10, Hanapēpē, Kaua'i, Hawai'i received on January 6, 2022.

The correspondence was received for the record.

OLD BUSINESS

1. Manager's Report No. 22-51 (updated) Discussion and Possible Action for Approval of Additional Funds for Purchase of the Replacement of the Gasboy Fuel Management System in the amount of \$85,000.00 (*Deferred from December 23, 2021, Regular Board Meeting*)

Chief of Operations Val Reyna provided an update on Manager's Report No. 22-51 as requested by the board at the December 23, 2021 meeting. (updated Manager's Report on file)

Board member Kamm moved to approve Manager's Report 22-51 for the \$85,000 expenditure for the new Fuel Master system, seconded by Mr. Tanigawa; with no objections, motion carried with 4 Ayes.

NEW BUSINESS:

1. 2022 Appointment of Committee Members for the Rules Committee and the Finance Committee

Chair Simonton announced her appointments to the following committees:

Rules Committee: Ka'aina Hull, Troy Tanigawa, Greg Kamm

Finance Committee: Larry Dill, Ka'aina Hull, Kurt Akamine

Board member Tanigawa moved to approve the 2022 Committee Member appointments, seconded by Mr. Kamm; with no objections, motion carried with 4 Ayes.

STAFF REPORTS:

1. Statement of Revenues and Expenditures
 - a. December Monthly Summary Budget
 - b. Accounts Receivable Aging Summary

Waterworks Controller Marites Yano provided a summary of the Fiscal report submitted. She noted that they are currently working on the proposed budget for FY 2022/2023. Their goal is to submit the draft proposal budget at the March 2022 meeting with subsequent Finance Committee meetings to be scheduled for April. The next initiative would be to commence with the water rate study, which was started in 2016, and fiscal would like to hold a board workshop, preferably by the month of March to acquaint the new board members with the goals and purpose of the study.

Board member Dill referenced Page 25 of the agenda packet, under Revenue, Capital Contributions. He asked why there are significant variance from the budget. Ms. Yano explained that the department will be submitting a request for reimbursement for the grants they were anticipating to receive from the State, which are contingent upon the department's encumbrance of these funds to a specific project. She further added that this will show as a continuing projected receipt until those requests are submitted and the funds are encumbered for specific projects. Mr. Dill asked whether they anticipate that this variance will be significantly reduced by the end of the current fiscal year to which Ms. Yano replied probably not since it is reimbursement based. Mr. Dill asked to clarify that the issue is that the projects are not getting done quick enough, noting that if the projects were getting done those variances would not be there. Mr. Dill referenced the section under Operating Proceeds and asked for an explanation of the large variance there. Ms. Yano explained that part of the projected budget for this year was getting SRF loans to fund the

meter replacement programs, which they are currently in the process of working with SRF on how to jumpstart the project. In response to Mr. Dill's question on whether that variance will be mitigated somewhat by the end of the current fiscal year, Ms. Yano replied she did not see it getting done this fiscal year. Mr. Dill pointed out that there is a seven million dollar variance there, and he would like an update as to why that is so far behind our projections. Ms. Yano explained that the department was aggressive in trying to initiate those programs; it has not gone as anticipated, but they are working on it. Mr. Dill requested an update on the meter program and what the schedule looks like.

2. Public Relations Activities

Information and Education Specialist Jonell Kaohelaulii provided a summary of the Public Relations Activities report provided. She highlighted their goal to reconnect with DOW education contacts as well as maintain visibility within the communities through their Make A Splash In A Bag event concept which provides water education, resources, and activities to Kaua'i's fifth graders. The department has been able to provide this experience to over 500 public and private school students, and have received positive press in the Garden Island newspaper as well as much praise and acknowledgement from community members.

3. Operational Activities

Chief of Operations Val Reyna provided a summary of the Operations report provided. He noted that over the weekend, an unauthorized person opened a fire hydrant, which they received a report about from Kaua'i Police Department. The department is unable to estimate the amount of water loss. He stated that other counties have hydrants that are chained and padlocked, though we don't go to that extreme here.

Mr. Reyna highlighted the draft Hazmat Survey Report received for the demolition of the old Administration building, which brings them one step closer to starting the demolition. In response to Board member Dill, Mr. Reyna explained that the emergency generator listed is trailer mounted.

4. Manager and Chief Engineer

Manager Joe Tait deferred to Civil Engineer Michael Hinazumi who provided a summary of the update on Contract No. 721 for Job No. 21-01. Mr. Hinazumi explained that the department has negotiated a contract with Brown and Caldwell to work on the long range water systems investment plan which includes getting the GIS system and hydraulic model update as well as moving forward for the next planning period of about 25 years. Chair Simonton asked to confirm that this model belongs to and will be accessible to DOW staff to which Mr. Hinazumi stated yes.

Regarding the Personnel update, Manager Joe Tait stated that there have been accelerated recruitment activities going on with both DOW HR as well as COK HR. He deferred to Deputy Manager Judy Hayducsko to provide an update. Ms. Hayducsko pointed out that the pie chart included in this month's update is a better representation of vacancies per division, noting that COK HR understands the great need of this department. Manager Tait added that there has been a lot of discovery and assessment of divisions and staffing to determine the right numbers and vacancies. The department is clearly understaffed in some areas because of pre-COVID carryover as well as a significant number of retirees over in Operations. In addition to the spreadsheets and pivot tables Mark Knoff worked on, there are ongoing discussions on what the staffing numbers

were before COVID compared to what they look like today versus the capital projects that have been backlogged because of shutdown periods. He added that there have been scheduling challenges in Operations because of the retirements, and because of some COVID activity. He commended Val, Ryan, Virgil and Chris for filling in and picking up the standby call outs and overtime hours due to those challenges.

QUARTERLY REPORTS:

1. Build America Bond

Waterworks Controller Marites Yano stated that there was no update on the Build America Bond fund expenditure; it is the same as last quarter.

2. Claims Settled by Department of Water

Deputy County Attorney Mahealani Krafft noted a correction to her report, clarifying that there were three claims settled, which are listed.

3. Engineering

Civil Engineer Michael Hinazumi provided a summary of the Engineering Quarterly Report submitted. He noted what was not reported on this report was that Kiewit Pacific was the apparent low bidder on the Kīlauea MCC motor control and coordination system 1 and 2, and the department is recommending award of the project for 1.3 million dollars, which would account for the net variance that fiscal reported on earlier. He also noted that the BAB funds will be committed to the Kalāheo package which will utilize most of the BAB funds. Manager Tait added that recruitment and hiring is critical to address the workload in Water Resources and Planning and feels that some of the pushes the department has made with the assistance of DOW HR Coordinator Debra Peay to get these hires on board will launch into a new era of delivery capital.

TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING: *(February)*

1. Employee of the Year Resolution
2. Board Recognition of East Side Field Crew
3. Update on recommended meter communication system

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS:

1. Manager's Report No. 17-29 - Discussion and Possible Action on the Financial Management Planning and Water Rate Study for the Department of Water for Fiscal Year 2022 through Fiscal Year 2026
2. Department of Water Performance Audit
3. Base Yard Master Plan Workshop
4. Proposed Budget for FY 2022-2023

EXECUTIVE SESSION:

Pursuant to Hawai'i Revised Statutes (HRS) §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the Executive Session was not anticipated in advance. Any such executive session shall be held pursuant to HRS §92-4 and shall be limited to those items described in HRS §92-5(a).

1. Pursuant to Hawai'i Revised Statutes §92-4 and §92-5(a)(6), the purpose of this Executive Session is for the Board to consider sensitive matters related to public safety or security.

Chair Simonton moved to enter into executive session at 11:06 a.m. with no objections.

The board resumed in open session at 11:31 a.m.

ADJOURNMENT

Board member Dill moved to adjourn the Regular Board meeting at 11:31 a.m., seconded by Mr. Tanigawa; with no objections, motion carried with 4 Ayes.

Respectfully submitted,

Cherisse Zaima
Commission Support Clerk

Approved,

Kurt Akamine
Secretary, Board of Water Supply

DRAFT

A horizontal splash of clear blue water with bubbles, positioned across the middle of the page. The text 'NEW' is centered above the splash and 'BUSINESS' is centered below it. Both words have a reflection effect on the water surface.

NEW

BUSINESS

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-56

February 24, 2022

Re: Discussion and Adoption of Resolution No. 22-12, Employee of the Year, Darwin Bukoski, Electronics/Plant Electrical Tradesperson I, Operations Division

It is requested that the Board approve Resolution 22-12, and congratulate Employee of the Year Darwin Bukoski, Electronics/Plant Electrical Tradesperson I, Operations Division.

VR/mja

Attachment: Resolution No. 22-12, EOY Darwin Bukoski

Mgrpp/February 2022/22-56/ Discussion and Adoption of Resolution No. 22-12 Employee of the Year, Darwin Bukoski, Electronics/Plant Electrical Tradesperson I Operations Division (02-24-22):mja

DEPARTMENT OF WATER,
COUNTY OF KAUA`I
Employee of the Year
DARWIN BUKOSKI
MAHALO
2021

WHEREAS, Darwin “Zoom” Bukoski has been selected by his peers as the Department of Water’s 2021 Outstanding Employee of the Year; and

WHEREAS, Zoom joined the Department of Water on October 29, 2003 as a Meter Reader I, transferred to Operations Division as a Plant Electrician Helper on April 4, 2005, got promoted to Plant Electrician on December 17, 2012, and promoted to his current position as Electronics/Plant Electrical Tradesperson I on November 11, 2018; and

WHEREAS; Zoom is not on standby duty rotation. However, that did not stop him from always answering calls to return to work afterhours, at night, on weekends, and during holidays to perform troubleshooting and emergency electrical repairs island-wide to ensure that our customers will have ample supply of drinking water; and

WHEREAS, Zoom can be counted on to always do the right thing and find creative ways for solutions to difficult situations. He always has an attitude of "how can we make this work" and "does it make sense to do it this way." A self-motivated self-starter, he needs little to no supervision and produces first time quality work. He accepts greater responsibility and goes above and beyond his job duties to keep the water flowing.

WHEREAS; Zoom was one of two Operations personnel that dropped everything they were doing for the weekend and hiked through muddy terrain to replenish dwindling water disinfection chemicals and perform electro-mechanical repairs in Hanalei, Wainiha, Hā'ena after the areas were isolated due to landslide on Kūhi`ō Highway; and

WHEREAS, Darwin has demonstrated sustained excellent performance and dependability as an Operations Division team member and Department of Water employee; now, therefore

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY, COUNTY OF KAUA`I, STATE OF HAWAII that it acknowledges and appreciates the contributions of DARWIN BUKOSKI for his outstanding dedication and loyalty and congratulate him upon being chosen to receive the 2021 Outstanding Employee of the Year Award.



We do certify that the foregoing was duly adopted by the Board of Water Supply during its meeting on February 24, 2022.

Julie Simonton, Chairperson

Kurt Akamine, Secretary

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-57

February 24, 2022

Re: Discussion and Adoption of Resolution No. 22-13, Employee of the Year, Terrilyn Amorin, Account Clerk, Fiscal Division

It is requested that the Board approve Resolution 22-13, and congratulate Employee of the Year Terrilyn Amorin, Account Clerk, Fiscal Division.

MY/mja

Attachment: Resolution No. 22-13, EOY Terrilyn Amorin

Mgrrp/February 2022/22-57/ Discussion and Adoption of Resolution No. 22-13, Employee of the Year, Terrilyn Amorin, Account Clerk Fiscal Division (02-24-22):mja

RESOLUTION NO. 22-13

(2/22)

DEPARTMENT OF WATER,
COUNTY OF KAUA'I
Employee of the Year
TERRILYN AMORIN
MAHALO
2021

WHEREAS; Terrilyn "Terri" Amorin has been selected by her peers as the Department of Water's 2021 Outstanding Employee of the Year; and

WHEREAS; Terri joined the Department of Water on August 8, 2016 as a Customer Service Representative I and transferred to Accounting as Account Clerk on March 1, 2018; and

WHEREAS; Terri is a dependable and reliable employee who always goes above and beyond in assisting both billing and accounting sections and other divisions when needed; and

WHEREAS; Terri's expertise in customer service as Performance Supervisor of Delta Airlines has flowed through the Department of Water gaining good interpersonal relationships with her coworkers, and

WHEREAS; Terri is a community giver, spearheading the annual United Way campaign, Foodbank food drives, getting sponsors of the Angel tree by the Salvation Army; and

WHEREAS, Terri's creativity at the Halloween's spooktacular decorating contests has resulted in prestigious awards for the department, and many more; and

WHEREAS, Terri has a huge heart with a caring and giving spirit. She celebrates her coworkers' achievements by planning decorated celebrations; be it a retirement, baby shower, birthday or any occasion that makes each celebrant feeling special; and

WHEREAS, Terri is a family-oriented person who gives her unrelenting support to her son's love of motocross and hare and hound races that brought her and her family as far as Tennessee; and

WHEREAS, Terri has demonstrated sustained excellent performance and dependability as a Fiscal Division team member and Department of Water employee; now, therefore

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, STATE OF HAWAII that it acknowledges and appreciates the contributions of TERRILYN AMORIN for his outstanding dedication and loyalty and congratulate her upon being chosen to receive the 2021 Outstanding Employee of the Year Award.



We do certify that the foregoing was duly adopted by the Board of Water Supply during its meeting on February 24, 2022.

Julie Simonton, Chairperson

Kurt Akamine, Secretary

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-58

February 24, 2022

Re: Discussion and Possible Action on the transfer and redistribution of budgeted Water Utility funds to the Department projects in Kalaheo (Kalaheo 1111' & 1222' Water System Improvements), Kilauea (Kilauea Well Nos 1 & 2 MCC and Chlorination System) and Kekaha (Paua Valley Tank Repair) in the amount of \$2.4 million

RECOMMENDATION:

It is recommended that the Board approve the transfer and redistribution of budgeted Water Utility funds to the Department's projects in Kalaheo (Kalaheo 1111' & 1222' Water System Improvements), Kilauea Well Nos. 1 & 2 MCC and Chlorination System) and Kekaha (Paua Valley Tank Repair) to provide for the DOW (County) required share to allow for the release and receipt of State legislative fund appropriation for the named projects.

FUNDING:

FROM: Account No.	Amount	Account Title	Current Budget	Revised Budget
		WU/Capital Outlay - R&R/Capital Projects		
10-21-00-604-000	\$ 400,000.00	Kukuioilono Tank Demo	\$ 1,100,000.00	\$ 700,000.00
10-21-00-604-163	\$ 500,000.00	Mānoa Stream WL Emergency Repairs	\$ 500,000.00	\$ -
10-21-00-604-164	\$ 500,000.00	Makaleha WL Emergency Repairs	\$ 500,000.00	\$ -
		WU/Capital Outlay - Expansion/Capital Projects		
10-21-00-605-153	\$ 1,000,000.00	Hā'ena 144' Tank (0.2 MG)	\$ 2,500,000.00	\$ 1,500,000.00
TOTAL:	\$ 2,400,000.00			
TO: Account No.	Amount	Account Title	Current Budget	Revised Budget
		WU/Capital Outlay - R&R/Capital Projects		
10-21-00-604-029	\$ 2,040,000.00	Kalāheo 1111' & 1222' Water System Improvements	\$ -	\$ 2,040,000.00
10-21-00-604-157	\$ 120,000.00	Kilauea Wells No. 1 & 2 MCC & Chlorination	\$ 400,000.00	\$ 520,000.00
10-21-00-604-001	\$ 240,000.00	Paua Valley Tank Repair	\$ -	\$ 240,000.00
TOTAL:	\$ 2,400,000.00			

BACKGROUND:

The Department requested financial assistance of the Hawaii State Legislature, during its 2019 legislative session, for supplemental funding to support its Capital Improvement Program. The Hawaii State Legislature considered the Department's request and graciously provided funding appropriations for the Kalaheo, Kilauea and Waimea-Kekaha Water systems. The projects that were specifically identified for legislative funding assistance are:

- Kalaheo 1111' & 1222' Water System Improvement \$10.2M
 - Kilauea Wells No. 1 & 2, MCC & Chlorination System \$ 2.6M
 - Rehabilitate Paua Valley Tank #1, Kekaha, Kauai, Hawaii \$ 1.2M
- Total Appropriated \$14.0M**

Typical with most legislative appropriations, the Hawaii State Legislature conditions the receiver, in this case the Department, to commit and portion its funds into the project, in order to receive the funding appropriation. The condition for this appropriation is a 20 percent commitment by the Department. The following project commitment amounts are as follows:

- Kalaheo 1111' & 1222' Water System Improvement \$2.04M
 - Kilauea Wells No. 1 & 2, MCC & Chlorination System \$0.52M
 - Rehabilitate Paua Valley Tank #1, Kekaha, Kauai, Hawaii \$0.24M
- Total Commitment \$2.80M**

During the 2021-2022 budget preparations, the funds for the Department commitment were set aside, however, the funding sources were not in line with the requirements to allow the State to release the funds. Some of the funds for the commitment utilized loans and bond, which are through State means and disqualifies the funds to be used as the basis for the Department's commitment.

In review of the qualifying funds allotted, the Department requires the following amounts for each project to be transferred:

- Kalaheo 1111' & 1222' Water System Improvement \$2.04M
 - Kilauea Wells No. 1 & 2, MCC & Chlorination System \$0.12M*
 *\$400,000.00 currently budgeted with qualifying funds
 - Rehabilitate Paua Valley Tank #1, Kekaha, Kauai, Hawaii \$0.24M
- Total Transfer Required \$2.40M**

The Department reviewed its current budget's Water Utility Fund account for areas of savings and for projects that are able to transfer and redistribute funds with minimal impact. The following projects have been reviewed to have their budgeted amounts reduced and/or removed:

	Current Budget	Revised Budget	Avail. Funds
• Kukuiolono Tank Demolition	\$1.10M	\$0.70M	\$0.40M
• Manoa Stream WL Emergency Repairs [^] [^] Project completed in-house due to emergency	\$0.50M	\$ - 0 -	\$0.50M
• Makaleha WL Repairs ^{^^} ^{^^} Project deferred due to environmental/land issues	\$0.50M	\$ - 0 -	\$0.50M
• Hā'ena 144' Tank (0.2 MG)	\$ 2.50M	\$1.50M	\$1.00M
	Total Available for Transfer		\$2.40M

The funds available for transfer is intended to be redistributed to each respective project to meet the requirements to receive each project's funding appropriation.

OPTIONS:

Option 1: Approve Manager's Report as recommended.

Pro: The Department will be able to provide the portion of funds (20%) which are a condition to receive the State legislative funds to help supplement and support the implementation of its infrastructure improvement plan.

Con: The Department will be reducing fund availability from other projects which were previously budgeted.

Option 2: Deny Manager's Report as recommended.

Pro: The DOW will not be reducing fund availability for its existing projects which funds were budgeted.

Con: The Department will not be able to receive the State legislative funds which were appropriated to assist the Department with the implementation of its infrastructure improvement plan.

MH/MY

Mgrrp/Discussion and Possible Action on the transfer and redistribution of budgeted Water Utility funds to the Department projects in Kalaheo (Kalaheo 1111' & 1222' Water System Improvements), Kilauea (Kilauea Well Nos 1 & 2 MCC and Chlorination System) and Kekaha (Paua Valley Tank Repair) in the amount of \$2.4 million (02-24-22)

AMENDED
Change to 4th Thursday of each month; meeting start time of 9:00 a.m.



BOARD OF WATER SUPPLY, COUNTY OF KAUA'I

BOARD MEETING DATES FOR 2022

(Department of Water, County of Kaua'i *Rules & Regulations, Part 1, Section II* – Regular Meetings of the Board shall be held in the Department of Water's Board Room or any designated place once each month, or on a date to be determined by the Board.)

1.	January	Thursday, January 20	9:00 a.m.
2.	February	Thursday, February 24	9:00 a.m.
3.	March	Thursday, March 24	9:00 a.m.
4.	April	Thursday, April 28	9:00 a.m.
5.	May	Thursday, May 26	9:00 a.m.
6.	June	Thursday, June 23	9:00 a.m.
7.	July	Thursday, July 28	9:00 a.m.
8.	August	Thursday, August 25	9:00 a.m.
9.	September	Thursday, September 22	9:00 a.m.
10.	October	Thursday, October 27	9:00 a.m.
11.	November	Thursday, November 17 *	9:00 a.m.
12.	December	Thursday, December 15 *	9:00 a.m.

*Meetings moved up to 3rd Thursday to accommodate holidays

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STAFF

REPORTS



DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

FISCAL REPORT: MONTHLY SUMMARY HIGHLIGHTS – JANUARY 2022

I. BUDGET SUMMARY VS. ACTUAL (see attached report for details)

YEAR TO DATE (YTD) BUDGET & ACTUAL EXPENSES SUMMARY – AS OF JANUARY 2022

	<u>BUDGET</u>	<u>vs</u>	<u>EXPENSED</u>
· Operating Expenses	\$20,840,241		\$14,116,260
· Debt Principal Payment	4,115,452		4,559,088
· Capital Projects	<u>29,256,800</u>		<u>159,015</u>
TOTAL	<u>\$54,212,493</u>		<u>\$18,834,363</u>

REVENUES: VARIANCE = "ACTUAL" LESS "BUDGET" - POSITIVE INDICATES HIGHER PERFORMANCE THAN EXPECTED & NEGATIVE IS VICE VERSA.

- Total Revenue as of January 2022 was 26% below projection.
 - Water sales of \$17.0 million (M) was \$2.4M or 16% higher than projected.
 - Other Water Revenues - Revenues from Fire hydrants of \$1.3M and other receipts of \$57.1 thousand (K) were \$118.0K below projection.
 - Capital Contributions: Contributions from Federal & State Grants – \$470.6K.
 - Investment Income & Net Increase in FV of Investments –\$199.8K.
 - Miscellaneous Revenues - \$33.9K.

OPERATING EXPENSES: VARIANCE = BUDGET LESS ACTUAL

EXPENSES: POSITIVE VARIANCE INDICATES LOWER ACTUAL EXPENSES VS. BUDGET. **REVISED YTD BUDGET COLUMNS INCLUDE PO ROLLOVER FROM FY ENDING 2021.**

- YTD Operating Expenses before depreciation and amortization was \$14.1M. Total spending was \$6.7M lower than budget.
 - Employee Related Expenses –\$6.4M with a 16% positive variance.
 - Contracts & Services – \$2.9M with a 63% positive variance.
 - Professional Services, Other Services – Billing, Communication, Insurance and Repairs and Maintenance for non-water systems are the main items contributing to the 63% positive variance.
 - Fuel & Utilities – \$1.7M with a \$20.9K variance.
 - Bulk Water Purchase –\$914.1K with a 14% positive variance.
 - Office & Operating Supplies – \$593.2K with 29% positive variance.
 - Training, Travel & Meeting Expenses – \$45.5K or 58% positive variance.
 - Debt Service – Interest Expense - \$1.6M.
 - Depreciation & Amortization (non-cash expenses) is \$4.1M.

NET OPERATING INCOME:

- Net Operating Income before depreciation and amortization - \$4.9M.
- Net Operating Income after depreciation & amortization was a positive \$774.2K.



DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

NON-OPERATING PROCEEDS & DISBURSEMENTS

- SRF Loan Proceeds – None.
- FRC – Facility Reserve Charge –\$488.4K.
- YTD Debt Principal Payment is \$4.6M.

CAPITAL PROJECTS BUDGET: YTD DISBURSEMENTS = \$159,015.60

- Capital Projects: Water Utility Fund - \$134.1K
- Capital Projects: FRC Fund – (\$4.8K)
- Capital Projects: BAB Fund - \$5.3K
- Capital Projects: SRF Loan Fund - None

II. COMPARATIVE CHARTS:

METERED CONSUMPTION:

- January 2022, monthly metered consumption of 283.2 million gallons (mg) increased by 15.9 mg as compared from the same month of FY 2021.
- Year to Date (YTD) metered consumption as of 12/31/21 was 2,443.4 mg with a YTD cumulative increase of 324.8 mg as compared from the same month of FY 2021.

III. COMPARATIVE BALANCE SHEET: SEE ATTACHED.

Statement of Net Position as of January 31, 2022 (unadjusted).

IV. OTHER FISCAL ONGOING ACTIVITIES/INITIATIVES:

- Proposed Annual Budget – in progress. It will be submitted on March 20, 2022, board meeting.
- FY 2021 Financial Audit completed, Audit Report was issued by Accuity, LLC. with unqualified opinion.
- Annual Water Audit – due 6/30/22.
- Notice to Proceed was issued to Raftelis Consultants to commence the Water Rate Study.
- MS Great Plains (GP) upgrade – no new update.
- Procurement in Process – Financial Accounting Audit Services.
- Procurement in process – Armored Car Services.
- Planned Procurement: Development of Financial Policies for DOW.
- Planned Procurement: Budget Program Solution – It will be addressed concurrently with the Financial Policies Development. procurement.
- FEMA grant funding reimbursements: Cancelled by the DOW.

MY/



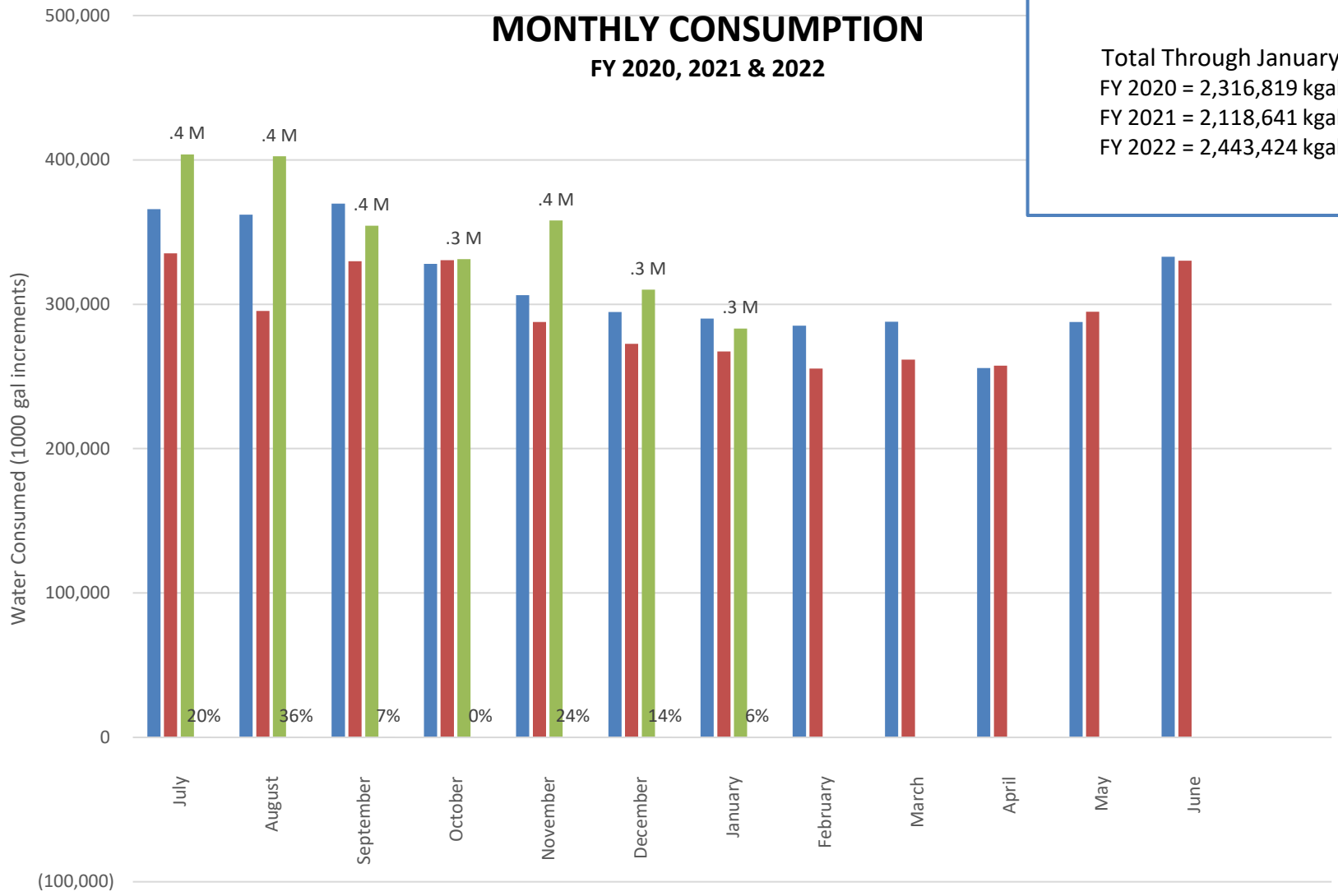
Department of Water, County of Kauai
 Monthly Budget Summary vs. Actual
 SUMMARY
 1/31/2022

	January				FY 2022			
	Original Budget	Revised Budget	Actual	Variance	Revised YTD Budget	YTD Actual	*Variance	Variance %
I. OPERATING BUDGET								
REVENUE								
Water Sales	\$2,085,217.00	\$2,085,217.00	\$2,021,280.57	(\$63,936.43)	\$14,596,519.00	\$16,968,675.20	\$2,372,156.20	16.%
Other Water Revenue Total	206,192.00	206,192.00	186,404.50	(19,787.50)	1,443,344.00	1,341,363.84	(101,980.16)	(7.%)
Capital Contributions Total	1,348,057.00	1,348,057.00	67,222.04	(1,280,834.96)	9,436,399.00	470,554.28	(8,965,844.72)	(95.%)
Investments Total	19,584.00	19,584.00	(15,079.51)	(34,663.51)	137,088.00	199,727.59	62,639.59	46.%
Miscellaneous Revenues Total	709.00	709.00	699.72	(9.28)	4,963.00	33,887.26	28,924.26	583.%
Total Revenue	3,659,759.00	3,659,759.00	2,260,527.32	(1,399,231.68)	25,618,313.00	19,014,208.17	(6,604,104.83)	(26.%)
EXPENSES								
Total Employee-Related Expenses	1,087,505.00	1,087,505.00	901,933.46	185,571.54	7,612,535.00	6,408,117.72	1,204,417.28	16.%
Total Contracts & Services	716,941.00	716,941.00	322,886.52	394,054.48	7,839,073.32	2,866,187.09	4,972,886.23	63.%
Total Fuel & Utilities	248,865.00	248,865.00	229,236.96	19,628.04	1,742,055.00	1,721,150.58	20,904.42	1.%
Total Bulk Water Purchase	151,681.00	151,681.00	159,329.39	(7,648.39)	1,063,131.96	914,142.62	148,989.34	14.%
Total Office & Operating Supplies	132,871.00	132,871.00	73,968.52	58,902.48	832,938.50	593,241.95	239,696.55	29.%
Total Training, Travel & Meeting Expenses	14,753.00	14,753.00	2,837.80	11,915.20	106,130.68	44,534.69	61,595.99	58.%
Total Interest Expense	234,911.00	234,911.00	225,373.14	9,537.86	1,644,377.00	1,568,886.18	75,490.82	5.%
Total Operating Expenses	2,587,527.00	2,587,527.00	1,915,565.79	671,961.21	20,840,241.46	14,116,260.83	6,723,980.63	32.%
Net Operating Income (Loss) Before Depreciation	\$1,072,232.00	\$1,072,232.00	\$344,961.53	(\$727,270.47)	\$4,778,071.54	\$4,897,947.34	\$119,875.80	3.%
Total Depreciation & Amortization	661,895.00	661,895.00	584,794.73	77,100.27	4,633,265.00	4,123,796.63	509,468.37	11.%
Net Operating Income (Loss)	410,337.00	410,337.00	(239,833.20)	(804,370.74)	144,806.54	774,150.71	(389,592.57)	(269.%)
Non Operating Proceeds	1,191,667.00	1,191,667.00		(1,191,667.00)	8,341,669.00		(8,341,669.00)	(100.%)
FRC-Facility Reserve Charge	66,667.00	66,667.00	28,570.00	(38,097.00)	466,669.00	488,370.00	21,701.00	5.%
Total Non Operating Proceeds	1,258,334.00	1,258,334.00	28,570.00	(1,229,764.00)	8,808,338.00	488,370.00	(8,319,968.00)	(94.%)
Transfers Out(In) to Other Funds								
Debt Principal Payment	320,587.02	320,587.02	320,587.02		4,115,451.91	4,559,088.21	(443,636.30)	(11.%)
Net Proceeds (Expenditures)	1,348,083.98	1,348,083.98	(531,850.22)	(1,879,934.20)	4,837,692.63	(3,296,567.50)	(8,134,260.13)	(168.%)
II. CAPITAL BUDGET								
Capital Projects (See Attached for Details)	2,447,249.00	2,447,249.00	24,431.68	2,422,817.32	29,256,799.98	159,015.60	29,097,784.38	99.%

MONTHLY CONSUMPTION

FY 2020, 2021 & 2022

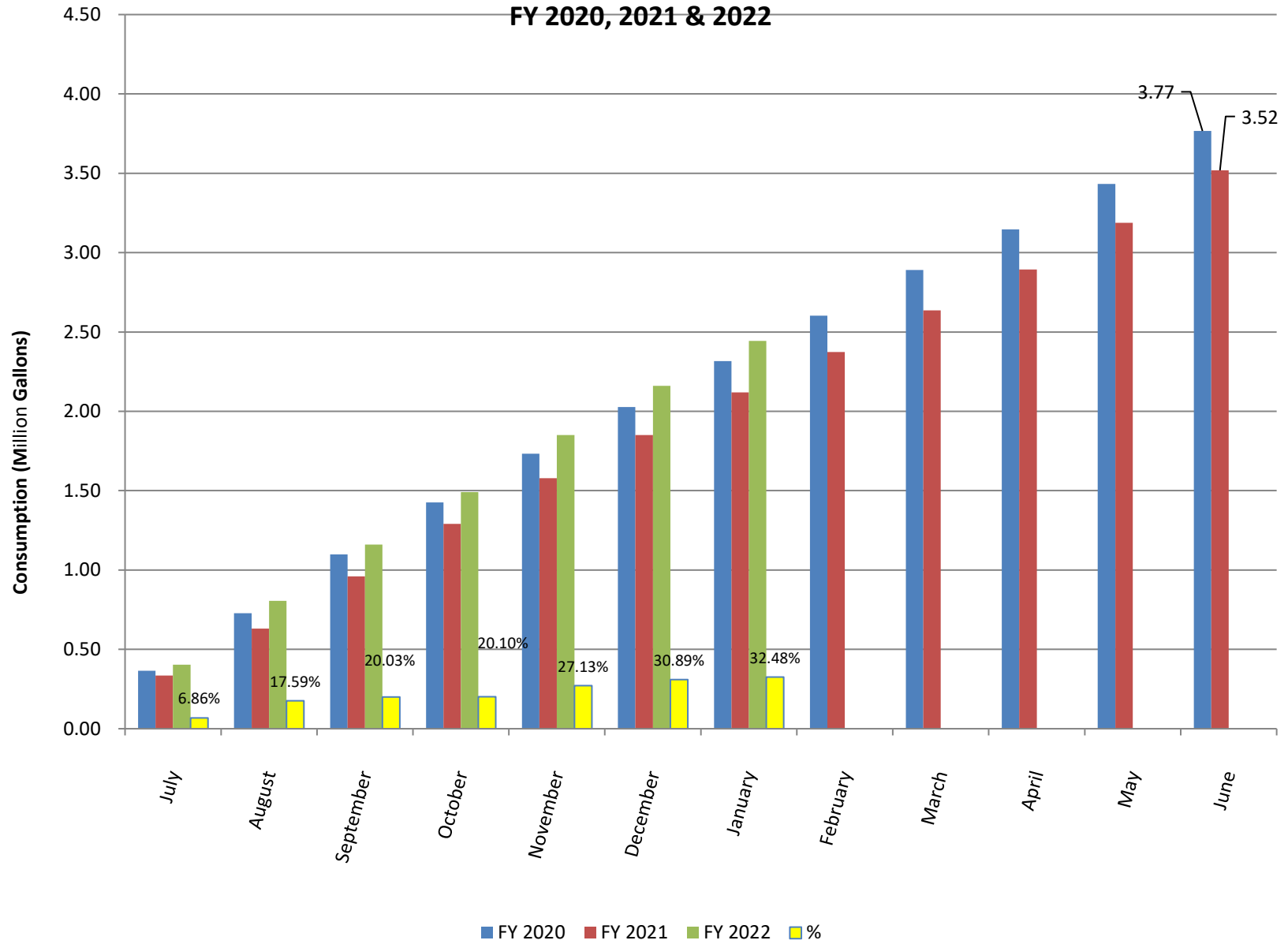
Total Through January
 FY 2020 = 2,316,819 kgal
 FY 2021 = 2,118,641 kgal
 FY 2022 = 2,443,424 kgal



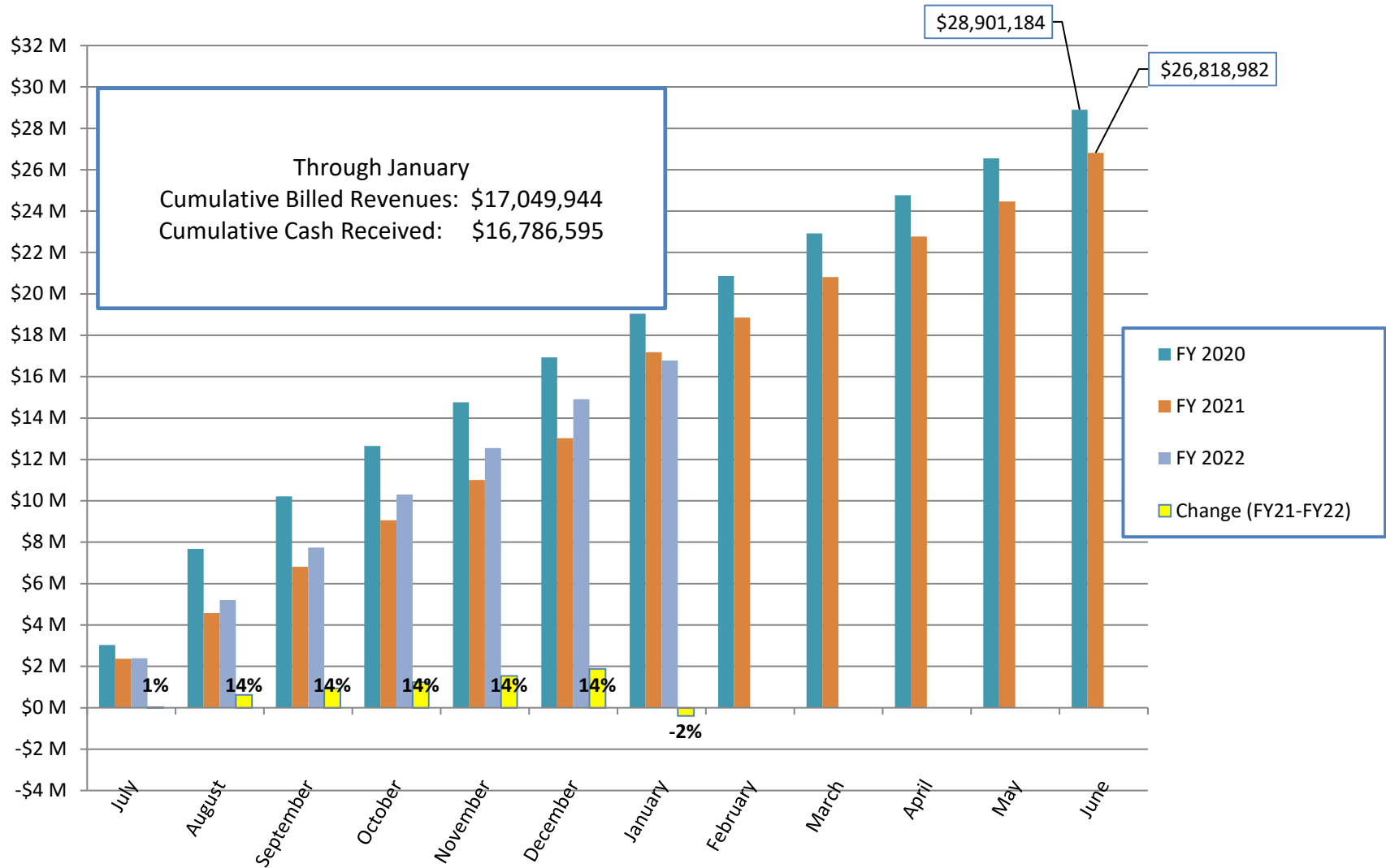
■ FY 2020 ■ FY 2021 ■ FY 2022 ■ MONTHLY INC. (DEC.)

YTD CUMULATIVE WATER CONSUMPTION

FY 2020, 2021 & 2022



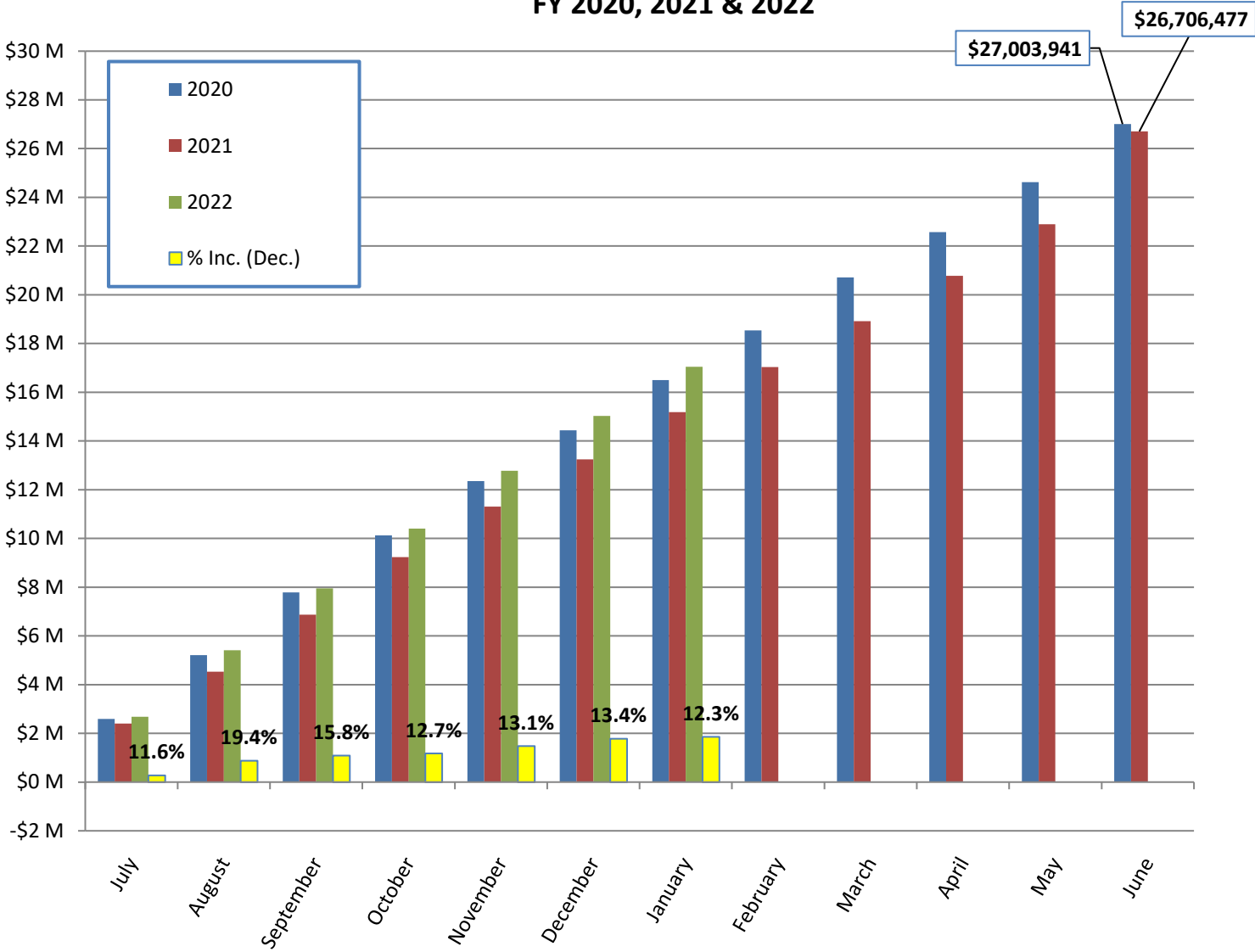
WU CUMULATIVE CASH RECEIPTS FY 2020, 2021 & 2022



Note: July '19-'20 receipts included a \$2.29 million state appropriation grant for the Hanapēpē

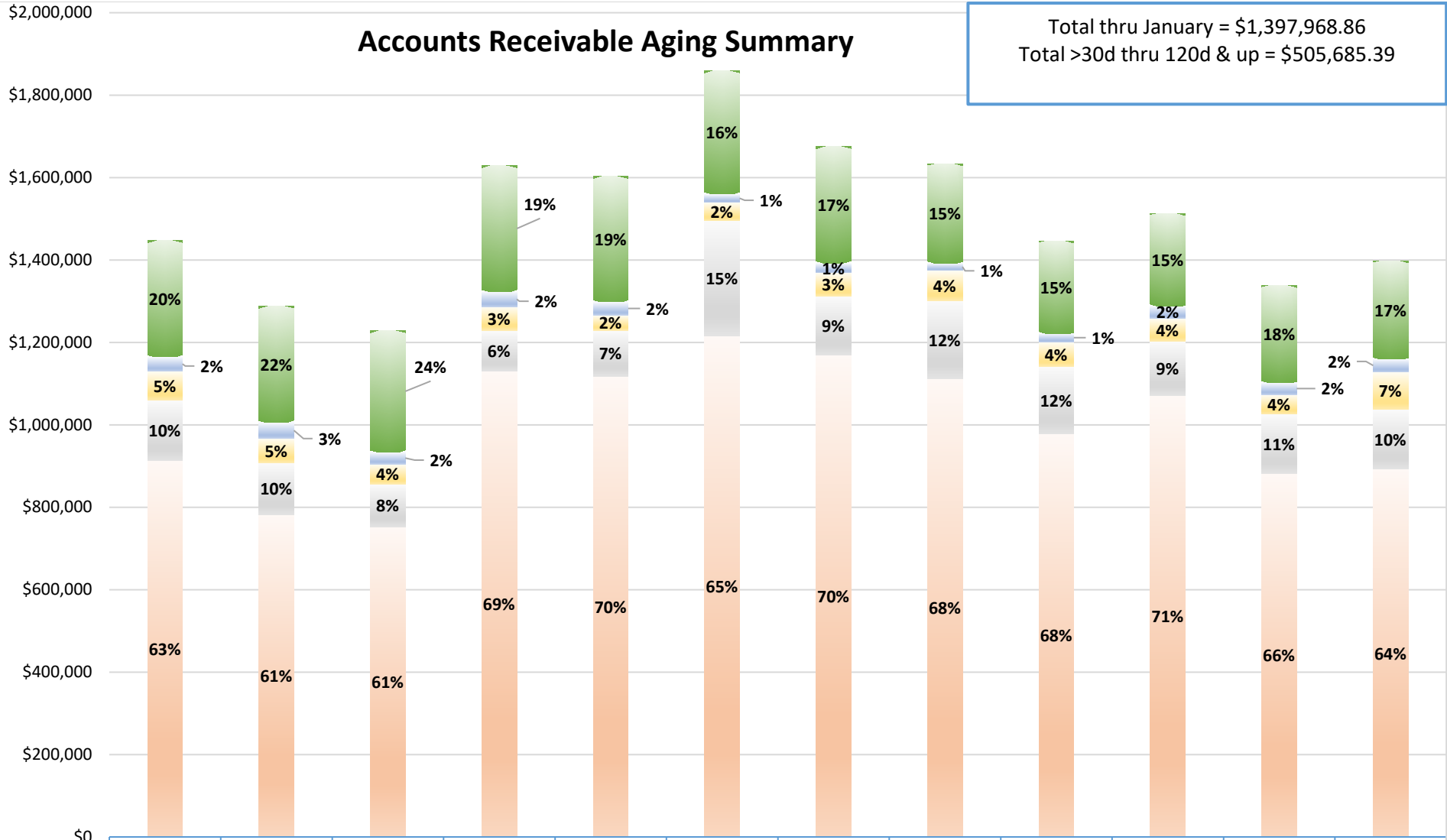
CUMULATIVE BILLED REVENUES

FY 2020, 2021 & 2022



Accounts Receivable Aging Summary

Total thru January = \$1,397,968.86
 Total >30d thru 120d & up = \$505,685.39



	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
121 days and over	\$282,561	\$282,746	\$295,191	\$305,635	\$304,593	\$299,428	\$282,882	\$240,783	\$223,428	\$224,064	\$235,516	\$238,389
91-120 days	\$34,412	\$38,586	\$28,801	\$36,974	\$31,973	\$20,378	\$23,726	\$18,305	\$21,463	\$30,065	\$29,192	\$31,305
61-90 days	\$70,380	\$59,276	\$48,425	\$56,984	\$36,744	\$44,461	\$57,021	\$73,096	\$59,044	\$55,620	\$47,341	\$90,933
31-60 days	\$147,068	\$125,361	\$103,880	\$99,573	\$111,658	\$278,491	\$142,845	\$189,626	\$163,726	\$132,167	\$144,413	\$145,059
0-30 days	\$912,997	\$782,492	\$752,624	\$1,129,799	\$1,117,983	\$1,216,650	\$1,169,088	\$1,111,708	\$977,992	\$1,070,638	\$881,641	\$892,283

Assets and Deferred Outflows

Current Assets

Cash	\$6,615,046.28
Equity interest in pooled investments	6,532,721.54

Receivables:

Accounts, net of allowance for doubtful accounts	1,423,924.89
Due from other funds	
Unbilled accounts	1,600,825.50
Grants and subsidies	846,997.68
Accrued interest	161,209.36
Total receivables	<u>4,032,957.43</u>

Materials and supplies	1,006,099.32
Prepaid expenses	45,231.85
Total current asset	<u>18,232,056.42</u>

Restricted Assets:

Facility reserve charge funds:

Cash	1,814,025.32
Equity interest in pool investments	
Accounts receivable and other	362,998.98
Total facility reserve charge funds	<u>2,177,024.30</u>

Bond funds:

Cash	1,188,909.22
Equity interest in pooled investments	8,540,370.00
Accrued interest	22,017.49
Total bond funds	<u>9,751,296.71</u>

Total restricted assets	<u>11,928,321.01</u>
--------------------------------	-----------------------------

Equity Interest in Pooled Investment - Noncurrent

Investment - Non-Current	26,563,189.70
Investment - Reserves	9,300,000.00
Investment - Debt Service Reserve	
Total Equity Interest in Pooled Investment - Noncurrent	35,863,189.70

Utility Plant:

In service	349,507,499.31
Accumulated depreciation	(126,662,597.51)
Total utility plant	<u>222,844,901.80</u>

Construction work in progress	19,122,423.63
Total property, plant and equipment	<u>241,967,325.43</u>

Total assets	<u>307,990,892.56</u>
---------------------	------------------------------

Deferred Outflow of Resources - Deferred Refunding Costs, net	7,893,101.00
Total assets and deferred outflows	<u>315,883,993.56</u>

***Allowance for doubtful accounts** **(213,740.26)**

Liabilities and Net Position

Current Liabilities:

Accounts payable and accrued liabilities	1,125,648.33
Contracts payable, including retainages	648,332.41
Accrued Vacation And Compensatory Pay, current portion	489,394.54
Due to/Due From Other Funds	
Customer overpayment	229,203.42
Customer deposits and advances	511,612.28
Current portion of long term debt	5,170,094.58
Current portion of capital lease obligation	

Total current liabilities **8,174,497.29**

Long-Term Debt	52,286,022.24
Capital Lease Obligation	
OPEB & Retirement Benefits	29,124,763.41
Accrued Vacation and Compensatory Pay	1,061,073.85
Deferred Inflow of Assets	3,349,684.00

Total liabilities and deferred inflows: **93,996,040.79**

Net Position:

Water Utility Reserves	9,300,000.00
Restricted FRC	2,169,173.54
Restricted Build American Bonds	9,644,264.04
Invested in Capital Assets Net of Related Debt	184,417,190.53
Unrestricted	16,357,324.66

Total net position **221,887,952.77**

Total liabilities, deferred inflows and net position: **315,883,993.56**

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve it!"

INFORMATION & EDUCATION SPECIALIST REPORT

February 24, 2022

Public Notices and Announcements

All news releases are sent to statewide media partners, published online via the Department's Facebook page and on the County of Kaua'i's website at www.kauai.gov/press-releases. Notices labeled as a Public Service Announcement (PSA) are shared directly with local radio stations, newspaper and posted on the Department's Facebook page. Additionally, roadwork notices are emailed to the Department of Transportation (DOT) communications office.

Service Announcements:

<i>Date Issued</i>	<i>Water System & Affected Service Areas</i>	<i>Announcement</i>	<i>Effective Date & Times</i>	<i>Other Notices</i>
01/18/2022	n/a	Business by phone unavailable until further notice – due to technical issue	Jan. 18, 2022 Approx. 8 a.m.-11 a.m.	
01/18/2022		DOW resumes business by phone		
02/07/2022	KAPA'A - portion of Kuamo'o Road, Iliki Street, Hie Street, Molo Street, Alahela Street, Lihau Street, Pa'ako Street, Kuhoho Street and Aleo Street.	Emergency water service shutdown due to 8-inch main break; partial lane closure	February 7, 2022 10 a.m. to 1 p.m.	Blackboard CTY

Public Relations Program

Community Outreach & Education

- The Department's "Wise Water Wednesday" campaign for the month of February includes locating your water meter, water emergency preparedness reminders, outdoor water tips and billing service information. The weekly media campaign is published on the Department's Facebook page, in radio advertisements and via print banner ad in the Garden Island Newspaper.
- PR is working on its participation in the national, "Fix a Leak Week" campaign on March 14-18, 2022, in partnership with the Environmental Protection Agency (EPA) WaterSense program. This year's campaign focuses on toilet leak detection and community outreach. PR has secured an in-store partnership with Tanaka Hardware Store to offer free toilet leak detection tablet brochures during the month of March in honor of "Fix a Leak". Additional outreach will include in-lobby and community displays to distribute toilet tablets and leak detection starter kits.

Upcoming Community Outreach & Educational Events

- EPA National Fix a Leak Week – March 14-18, 2022

Project WET (Water Education Today) Hawaii

- Project WET USA's Annual Conference is scheduled for August 8-11, 2022, in Spokane, Washington.
- Jonell Kaohelaulii continues to serve on WET teams and attended the newsletter committee meeting on Feb. 3, 2022.

Attachments: *KauaiNowNews* (Water Shutoff Today Around Kuamo'o Road)



Kauai News

Water Shut Off Today Around Kuamo'o Road

Posted February 7, 2022, 10:49 AM HST



An emergency water service shutdown scheduled for a portion of Kuamo'o Road from Opaeka'a Road to Pa'ako Street will happen today, the Department of Water announced.

The affected area includes: Iliki Street, Hie Street, Molo Street, Alahela Street, Lihau Street, Pa'ako Street, Kuhoho Street and Aleo Street. Water service will be turned off from approximately 10 a.m. to 1 p.m. today to conduct urgent repairs to a recent 8-inch mainline break.

Additionally, a one-lane road closure with flagger personnel will be in place on Kuamo'o Road during the repairs.

Customers located in the affected service area are advised to prepare for the water service shutdown by taking the following steps:

- Store water to meet your needs until service can be restored.
- Notify neighbors, family and friends of the water service shutdown.
- Those with faulty water heaters should ensure their water heater does not empty during the shutdown.
- Monitor updates on the water service shutdown online at <http://www.facebook.com/KauaiDOW>.

For more information, call the Department of Water at 245-5461.

Operations Services Dashboard

Month	Leak Repairs	Calls for Service	Meters Installed and Replaced	Temporary Hydrant Meters	Work Orders Issued	Work Orders Closed	One Call Requests	Auto Repair Shop	Hydrants Hit
Jan-22	36	207	171	1	293	265	29	20	2
Feb-21	26	213	52	4	126	122	25		1
Mar-21	36	215	30	2	345	167	31		0
Apr-21	36	217	76	0	182	174	33		2
May-21	26	229	53	2	167	165	51		2
Jun-21	40	211	74	2	167	162	18		1
Jul-21	33	191	103	0	176	165	13		1
Aug-21	27	220	99	3	187	184	18		6
Sep-21	19	193	106	1	180	175	39		1
Oct-21	32	198	23	0	146	101	25		1
Nov-21	28	189	13	0	126	118	47	12	4
Dec-21	27	193	15	1	131	113	24	18	0*

Operations Contract Dashboard

Open for Bid

Type	Contract Number	Job Number	Title	Contractor/Vendor

Awaiting Board Approval

Type	Contract Number	Job Number	Title	Contractor

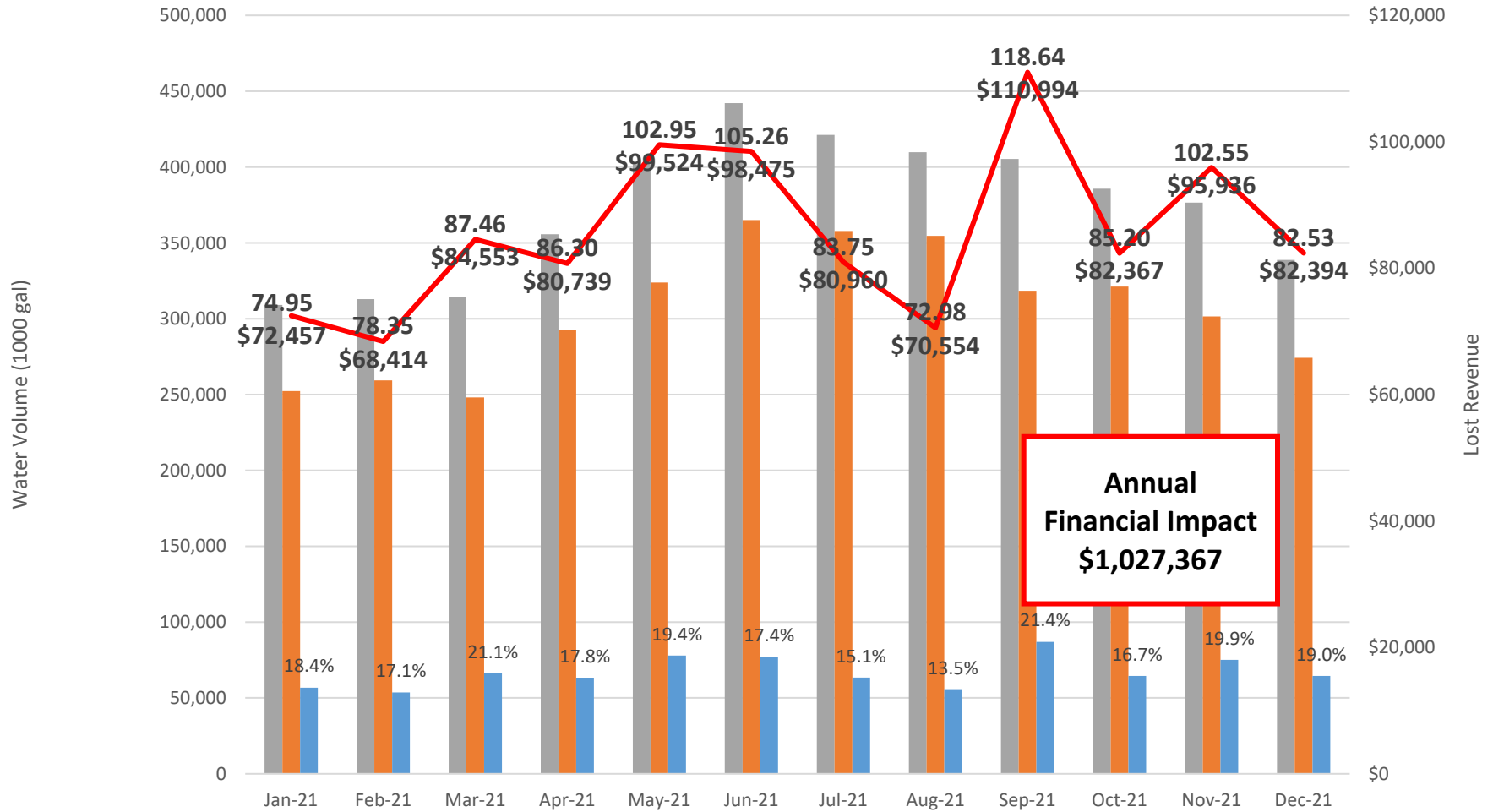
Processing/Notice to Proceed

Type	Contract Number	Job Number	Title	Contractor

Highlights

1. Estimated non-revenue water due to flushing and reported leaks for the month of January is 3,957,770 gallons.
2. Hazmat Survey Report - draft report received.
3. Kilohana on-site sodium hypochlorite housing structure design contract pending quote from consultant.

Monthly Water Audit January 2021 - December 2021



	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Produced	309,068	312,917	314,312	355,704	401,828	442,170	421,226	409,825	405,337	385,707	376,586	338,739
Customer Meter Read	252,328	259,343	248,100	292,478	323,892	365,056	357,828	354,575	318,419	321,207	301,460	274,217
Waterloss	56,740	53,574	66,212	63,226	77,936	77,114	63,398	55,250	86,918	64,500	75,126	64,522
Waterloss (\$)	\$72,457	\$68,414	\$84,553	\$80,739	\$99,524	\$98,475	\$80,960	\$70,554	\$110,994	\$82,367	\$95,936	\$82,394

DEPARTMENT OF WATER

County of Kaua'i

“Water has no Substitute – Conserve It!”

MANAGER’S UPDATE

February 24, 2022

Pursuant to Board Policy No. 3

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

1 SEVENTH AMENDMENT TO CONTRACT NO. 637 AS NEEDED CONSTRUCTION MANAGEMENT SERVICES WITH R.M. TOWILL CORPRATION FOR A CONTRACT TIME EXTENSION THROUGH JUNE 30, 2022, WITH NO ADDITIONAL FUNDING

FUNDING:

Account No.	10-21-10-540-010			
Acct Description	WU/Const/Admin/Professional Services-General			
Funds Available	Per Waterworks Controller		\$	N/A
Contract No.	637			
Vendor	R.M. Towill Corporation			
	Contract Amount	\$	200,000.00	
	PAO#1R	\$	400,405.00	
	First Amendment	\$	0.00	
	Second Amendment	\$	440,000.00	
	Third Amendment	\$	0.00	
	Fourth Amendment (PAO#3)	\$	236,479.00	
	Fifth Amendment	\$	0.00	
	Sixth Amendment (PAO#4)	\$	190,508.00	
	Total Funds Certified to Date	\$	1,467,392.00	
Seventh Amendment:				
	Contract Time Extension	\$	0.00	\$
	Total Amendment	\$	0.00	
	Contract Amount to Date	\$	1,467,392.00	
	Fund Balance		\$	N/A

BACKGROUND:

Contract NTP Date: June 26, 2017
 Original Contract End Date: June 25, 2019
 First Amendment Contract End Date: December 31, 2019
 Second Amendment Contract End Date: September 30, 2020
 Third Amendment Contract End Date: February 28, 2021
 Fourth Amendment Contract End Date: June 30, 2021
 Fifth Amendment Contract End Date: December 31, 2021
 Seventh Amendment Contract End Date: June 30, 2022

Approved First Amendment to Contract No. 637:

Unanticipated delays during the design phase caused the construction work to proceed later in construction than originally planned, resulting in the contract work extending beyond the original contractual limit. The Department of Water (DOW) was unable to attract qualified engineering and inspection staff. This impacted our Construction Management (CM) ability to manage projects with current staff and was exacerbated with the infusion of the state appropriation funding projects such as the Hanapēpē Waterlines project (Job No. 15-07) that RM Towill Corporations (RMTC) has been utilized as our As Needed Construction Manager. Although the cost for As-Needed CM project management and inspectional services are extremely high compared to staff costs, the DOW was at a point of no other choice to meet the project construction deadlines but to use the As-Needed CM contract. The Board approved additional funding for this project at the June 22, 2018, meeting and RMTC was given notice to proceed as the As Needed Construction Manager via Project Assignment Order #1 on June 30, 2018.

The original contract language and Project Assignment Order #1 did not clearly state that the monthly rental of housing in lieu of a hotel room is allowed. In June of 2018 when the DOW received RMTC's proposal, they included \$82,750.00 for airfare and \$14,000 for car rental. During the June 22, 2018, Board meeting, DOW staff mentioned to the Board having RMTC look for housing on island to lower travel costs. They secured a condo at approximately \$1,850 per month that is furnished. The amendment was approved by the Board at the August 24, 2018, meeting to realize cost savings.

Approved Second Amendment to Contract No. 637:

There have been numerous unanticipated delays during construction with the biggest being the redesign of the waterline crossing the historic Hanapēpē Bridge and encountering petroleum contaminated soils in Hanapēpē Town. The redesign of the waterline crossing is nearing completion and the proposed plan in dealing with contaminated soils is currently being formulated. Due to these delays, a contract amendment to extend the contract to September 30, 2020, and an additional \$440,000.00 in funding for the span from the current contract end date of December 31, 2019, to September 30, 2020, is necessary to complete the construction management portion of the project.

Approved Third Amendment to Contract No. 637:

The COVID 19 pandemic required a stop work order for a portion of late March through early May 2020. For this reason, the contractor schedule of physical construction had been delayed until October 2020. It was anticipated that project close out could take several months after that. Due to these delays, a contract amendment to extend the contract to February 28, 2021, for the span from the contract end date of September 30, 2020, to February 28, 2021, was necessary to complete the construction management portion of the project. There was sufficient funding remaining, so it was only a time extension to the contract.

Approved Fourth Amendment to Contract No. 637:

There are costs related to the County of Kaua'i travel program related to COVID 19 pandemic that are being acknowledged with this contract amendment. This amendment also extended the project completion date by 122 calendar days for a revised contract end date of June 30, 2021. The time extension allowed pay out of PAO 1R and 2, which were issued prior to the current February 28, 2021, contract end date. Project Assignment Order No. 3 was also issued to continue project management and inspectional services through June 30, 2021.

Approved Fifth Amendment to Contract No. 637:

Contract time extension to December 31, 2021, is needed due to project construction delays.

Approved Sixth Amendment to Contract No. 637:

Project Assignment Order No. 4 for continued project management and inspectional service activities to bring the project to its anticipated closure of December 31, 2021.

Proposed Seventh Amendment to Contract No. 637:

Contract time extension to June 30, 2022, for continued project management and inspectional service activities to complete closure of the project.

PERSONNEL MATTERS

Please reference following pie chart attachment.

EMPLOYEE RECOGNITION:

East Side Crew:

- Kreig A. Medeiros, Pipefitter Helper
- Darren M. Horner, Pipefitter
- Ryan D. Fu, Pipefitter
- Stetson L. Raposas, Equipment Operator II
- Reid Samio, Equipment Operator II
- Jeffrey Silva, Lead Pipefitter
- Michael Mack, Lead Pipefitter
- Chris C. Nakamura, Water Service Supervisor III
- Virgil R. H. Kapanui, Water Field OPS Superintendent

We would like to acknowledge this outstanding team for their hard work and dedication to the Department of Water.

They demonstrate superior work on the job such as repairing mainlines, service laterals, service lateral installations, upgrading cross country lines, fire hydrant and ARV repairs, upgrading PRV's, clay valve piping, valve maintenance, flushing lines and traffic control. These two individuals provide safety, wisdom, knowledge, and guidance for their crews to get to the next level.

Jeffrey Silva and Michael Mack and their crew work in many uncertain situations such as long hours, hazardous weather e.g., heavy rain, hot/humidity, night emergencies, and so forth.

These men are an asset to the department, and they will most definitely move up in the company.

We would also like to thank their families for understanding all the time spent away from them, sometimes not knowing when they will come home from work.

IT Focus: Issues and Timelines

To briefly address questions from the December 23, 2022 board meeting regarding plans and timelines pertaining to issues highlighted as *IT General Control Deficiencies - Significant Deficiencies*, the following steps to resolve these issues and associated resolution dates are as follows:

Findings:

Logical Security

- *Formal security procedures are not consistently followed for terminated Customer Care & Billing (CC&B) users.*

Response: There is an Add/Delete/Change User Account (ADCUA) form. Among other things, it lists devices and software licenses we provide to an incoming employee and a checklist of items to do and retrieve when one leaves. We are in the midst of redefining the process. Instead of an IT Manager's "approval", we are looking at a "check-off" meaning that upon leaving the Department, we would provide a list of assets to be returned and a list of software used so the employee may be removed, and the Division Head can decide on the next person to assign an account or place it back in a pool.

Oracle CC&B is one of the external software applications used in Fiscal. A third-party hosting CC&B uses our ADCUA form to add, change, and delete users. This portion is already functioning as expected.

- *Password security requirements do not comply with the Department's policies and procedures.*

Response: We are enhancing SOP45 describing the Department's policies and procedures concerning proper and professional use of all Department's property (PC's software, hardware, data files, etc.) to include best practice protocol for password and permission security.

- *Informal patch management process for critical systems.*

Response: We need to define our network map, determine age and lifespan of server hardware, locate backup and practice recovery for critical systems, and develop a patch management or strategy to address vulnerabilities.

We have already commenced working on known problems and the timeline for the full completion depends upon decisions to patch, repair, or replace. This is expected before our next quarterly report.

- *Lack of security awareness training.*
- *Lack of vulnerability assessment.*

Response: We are working with a confidential security advisor with awareness and delivery capabilities from a federal, state, and local security perspective. Along with a network vulnerability assessment, services listed are awareness training and playbooks, access to a vulnerability database, and incident coordination.

Physical Security

- *Various employees have physical access to the server room with no monitoring control in place to detect unauthorized events.*

Response: Keys are now configured that only IT and those with master keys have access to server rooms. Entries to rooms with cyber-locks are recorded.

Change Management

- *Lack of formal change management policies and procedures for GP.*

Response: IT is working with our controller to study where and how DOW uses GP within our organization. Along with Great Plains (GP), DOW will learn how all application changes are done and work towards a model that works with the personnel and/or industry.

MANAGER'S UPDATE

Re: Manager's Update for January 2022 to February 2022

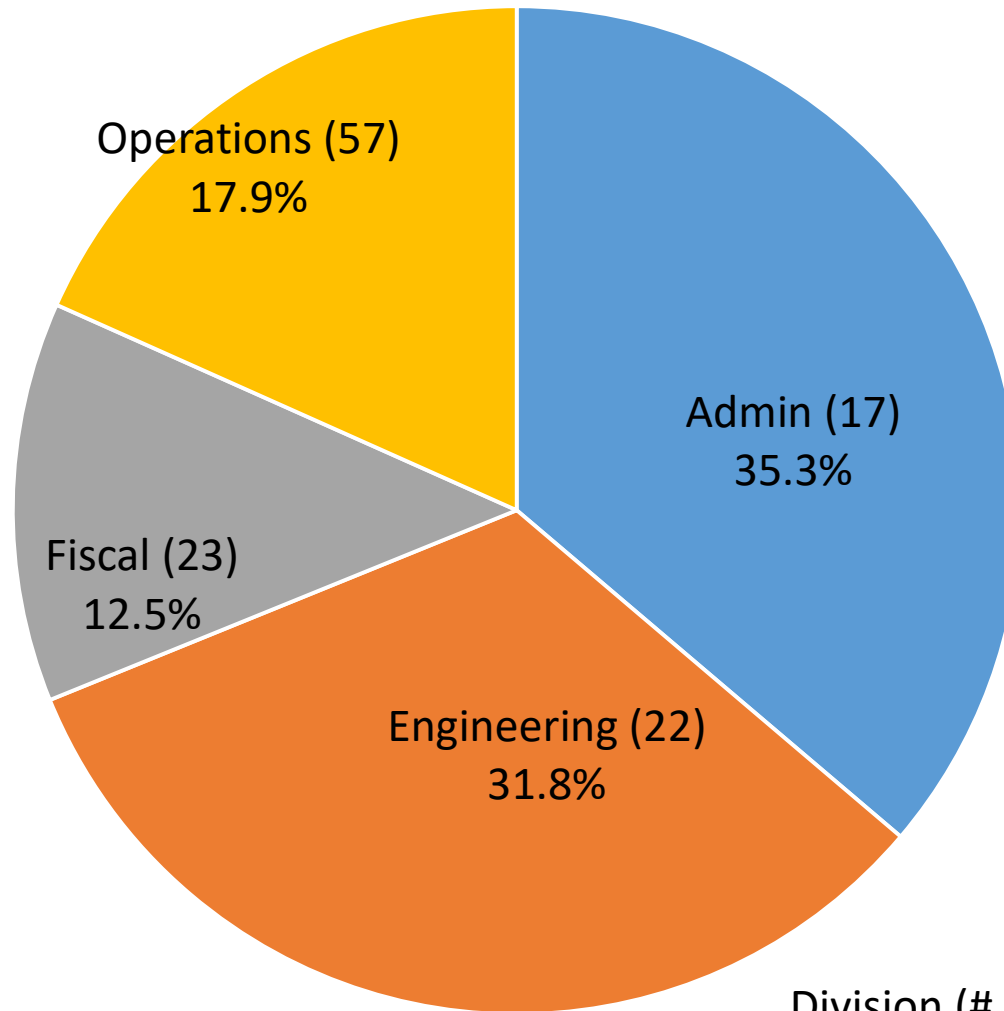
February 24, 2022

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Not only for GP, IT, along with our Manager, are studying all business processes in the Department. As with our hardware, once processes are mapped, DOW can reassess our needs and make decisions to keep, upgrade or replace. Should have a better handle on this by the time our FY2023 budgets are finalized before July.

Mgrrp/Manager's Update (February 24, 2022):mja

% Vacancy Within Each Division Level



Division (# Auth) - % Vacant